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BONNE FETE, INC.  
FINANCIAL STATEMENTS  
JULY 31, 2000 AND 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 02-07-01

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# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Bonne Fete, Inc.  
Baton Rouge, LA

We have audited the accompanying statement of financial position of Bonne Fete, Inc., as of July 31, 2000 and 1999, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bonne Fete, Inc. as of July 31, 2000 and 1999, and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2000, on our consideration of Bonne Fete, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Baton Rouge, LA  
December 22, 2000

BONNE FETE, INC.  
BATON ROUGE, LOUISIANA

STATEMENTS OF FINANCIAL POSITION  
JULY 31, 2000 AND 1999

ASSETS

	<u>2000</u>	<u>1999</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 33,790	\$ 3,890
Pledges receivable	-	11,720
Prepaid expenses	-	613
Total current assets	<u>33,790</u>	<u>16,223</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	25,341	10,695
Accrued liabilities	<u>179,500</u>	<u>4,500</u>
Total current liabilities	<u>204,841</u>	<u>15,195</u>
 <u>Net Assets</u>		
Unrestricted	<u>(171,051)</u>	<u>1,028</u>
 Total Liabilities and Net Assets	<u>\$ 33,790</u>	<u>\$ 16,223</u>

The accompanying notes are an integral part of this statement.

BONNE FETE, INC.  
BATON ROUGE, LOUISIANA

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JULY 31, 2000 AND 1999

CHANGES IN UNRESTRICTED NET ASSETS

	<u>2000</u>	<u>1999</u>
<u>Revenues and Gains</u>		
Admissions	\$ 272,239	\$ -
Corporate Sponsorships	398,500	588,475
Baton Rouge Area Convention and Visitors Bureau Grant	75,400	125,000
City of Baton Rouge Grant	-	300,000
State of Louisiana Grant	75,000	-
Rental Income	85,331	183,970
Interest Income	<u>18</u>	<u>1,807</u>
Total Revenue	906,488	1,199,252
<u>Expenses</u>		
Bonne Fete	<u>1,078,567</u>	<u>1,198,224</u>
Total Revenue in Excess of Expenses	(172,079)	1,028
Net assets - beginning of period	<u>1,028</u>	<u>-</u>
Net assets - end of period	<u>\$ (171,051)</u>	<u>\$ 1,028</u>

The accompanying notes are an integral part of this statement.

BONNE FETE, INC.  
BATON ROUGE, LOUISIANA

STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JULY 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
<u>Expenses</u>		
Advertising and Marketing	\$ 72,416	\$ 90,127
Artists Costs	466,790	393,859
Bad Debt	1,050	-
Building Materials, Supplies and Construction	84,105	63,418
Catering	18,815	12,009
Commemorative Flags	-	10,000
Educational Outreach	-	10,970
Entertainer Staging and Production	127,934	158,976
Event Management	126,000	104,259
Fireworks Display	-	160,887
Insurance	14,103	16,191
Other	31,316	29,952
Rental Costs	35,756	25,596
Sponsor Costs	25,623	57,973
Temporary Labor	49,209	38,862
Transportation, Communications & Security	<u>25,450</u>	<u>25,145</u>
	<u>\$ 1,078,567</u>	<u>\$ 1,198,224</u>

The accompanying notes are an integral part of this statement.

BONNE FETE, INC.  
BATON ROUGE, LOUISIANA

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JULY 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
<u>Cash Flows From Operating Activities</u>		
Cash received from admissions	\$ 272,239	\$ -
Cash received from corporate sponsorships	410,220	581,655
Grants received	150,400	425,000
Other operating receipts	260,331	179,070
Interest received	18	1,807
Cash paid to employees and vendors	<u>(1,063,308)</u>	<u>(1,183,642)</u>
Net cash provided by operating activities	29,900	3,890
Increase in Cash and Cash Equivalents	29,900	3,890
Cash and Cash Equivalents, Beginning of Period	<u>3,890</u>	<u>-</u>
Cash and Cash Equivalents, End of Period	<u>\$ 33,790</u>	<u>\$ 3,890</u>

The accompanying notes are an integral part of this statement.

BONNE FETE, INC.  
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2000 AND 1999

1. Summary of Significant Accounting Policies

(a) Organization and Nature of Activities

The accompanying financial statements include the accounts of Bonne Fete, Inc. (the Organization). Bonne Fete, Inc., was formed in 1998 to organize and host events during the 300<sup>th</sup> year birthday celebration of the City of Baton Rouge, Louisiana during 1999 and subsequent years. Sources of revenue and support include corporate sponsorships, admissions, and grants from the City of Baton Rouge, the State of Louisiana and the Baton Rouge Area Convention & Visitors Bureau. Bonne Fete, Inc. is a nonprofit corporation as described in Section 501(c)(3) and is exempt from federal income taxes.

(b) Basis of Accounting

The Organization maintains its books and prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues are recognized when earned, and expenses are recognized when incurred.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

(b) Net Assets

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of contributor imposed restrictions. The Organization's net assets balance is comprised only of net assets for general use with no restrictions.

(d) Other Accounting Policies

*Cash Equivalents*

The Organization considers all highly liquid investments, including certificates of deposit with a maturity of three months or less, to be cash equivalents.

*Promises to Give (Pledges Receivable)*

The Organization follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional.

Management believes that all amounts receivable as of the balance sheet dates are collectible and thus no allowance for doubtful accounts is necessary.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Advertising*

The Organization expenses advertising costs as incurred.

BONNE FETE, INC.  
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
JULY 31, 2000 AND 1999

2. Statements of Cash Flows

Reconciliation of net revenues over (under) expenses to net cash provided by operating activities:

	<u>2000</u>	<u>1999</u>
Changes in net assets	<u>\$(172,079)</u>	<u>\$ 1,028</u>
<u>Adjustments to reconcile net revenues over (under) expenses</u> <u>to net cash provided by operating activities:</u>		
(Increase) decrease in pledges receivable	11,720	(11,720)
(Increase) decrease in prepaid expenses	613	(613)
Increase (decrease) in accounts payable	14,646	10,695
Increase (decrease) in accrued liabilities	<u>175,000</u>	<u>4,500</u>
Net cash provided by operating activities	<u>\$ 29,900</u>	<u>\$ 3,890</u>

3. Related Parties

The Baton Rouge Area Convention & Visitors Bureau granted \$75,400 and \$125,000 to Bonne Fete, Inc., in years 2000 and 1999, respectively, to fund promotion of tourism within the jurisdiction of the bureau. In addition to these funds, the Baton Rouge Area Convention & Visitors Bureau also provided limited use of office space and employees to Bonne Fete, Inc. The amounts associated with these services are not readily determinable and are not reflected in the financial statements.

During the year ended July 31, 2000, the Baton Rouge Area Convention & Visitors Bureau advanced \$300,000 to Bonne Fete, Inc., under a cooperative endeavor agreement. The funds were to pay costs and expenses arising from the Event, primarily to pay the costs of the entertainers performing at the Event. \$125,000 had been repaid, leaving a balance due of \$175,000 as of July 31, 2000. Repayment of the full amount was to be made by Bonne Fete, Inc. on or before May 15, 2000, but has been extended until April, 2001.

# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Bonne Fete, Inc.  
Baton Rouge, LA

We have audited the financial statements of Bonne Fete, Inc., as of July 31, 2000 and for the year then ended, and have issued our report thereon dated December 22, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

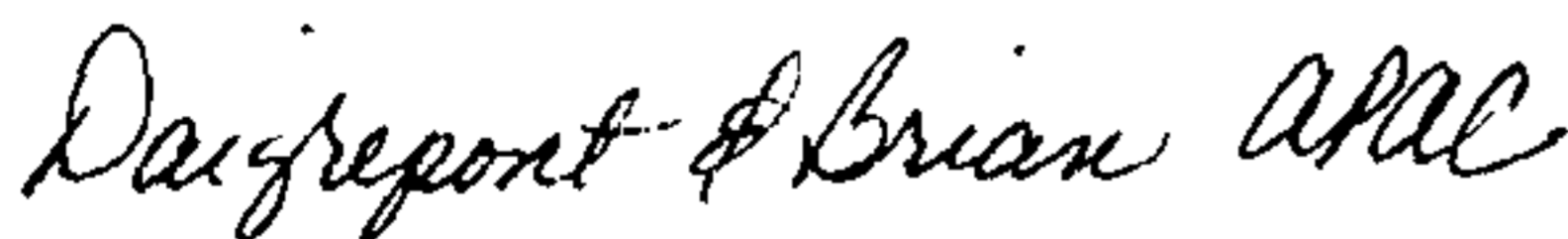
### Compliance

As part of obtaining reasonable assurance about whether Bonne Fete, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bonne Fete, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Office of Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



Baton Rouge, LA  
December 22, 2000